

Message Text

CONFIDENTIAL

PAGE 01 BRUSSE 19365 01 OF 02 271748Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
-----017326 271750Z /43
O 271812Z DEC 77
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC IMMEDIATE 3998
INFO AMEMBASSY WARSAW IMMEDIATE
AMEMBASSY PARIS IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 19365

EXDIS

USEEC

PARIS ALSO FOR USOECD

E.O. 11652: GDS
TAGS: EEC, PL, ETRD, ECIN
SUBJ: MARKET ACCESS FOR POLISH EXPORTS

REF: WARSAW 8956

1. WHILE REFTTEL ARGUES A POLITICAL CASE FOR HAVING THE
U.S. TAKE THE INITIATIVE TO ENCOURAGE THE EC AT A HIGH
LEVEL TO REDUCE BARRIERS TO POLISH PRODUCTS, THIS IS,
AS REFTTEL POINTS OUT, A COMPLEX MATTER. SINCE RAISING
IT WITH THE EC COULD BACKFIRE (SEE PARA 5 BELOW), MISSION
SUGGESTS THAT WASHINGTON TAKE FULL ACCOUNT OF FOLLOWING.

2. ONE PROBLEM ABOUT MAKING A DEMARCHE IN FAVOR OF
POLAND STEMS FROM THE FACT THAT CEMA COUNTRIES, INCLUDING
POLAND, REFUSE TO RECOGNIZE THE COMMUNITY AS A COMPETENT
NEGOTIATING ENTITY. COUNTRIES LIKE POLAND AND ROMANIA
HAVE COUNTENANCED SOME EROSION IN THIS POSITION OF
PRINCIPLE WHEN (AS IN TEXTILES AND FISHING) THEY HAVE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BRUSSE 19365 01 OF 02 271748Z

SOMETHING TO GAIN OR SUBSTANTIALLY LOSE BY REFUSING TO
DEAL WITH THE COMMUNITY. HOWEVER, PRECISELY BECAUSE
POLAND MAINTAINS APPARENT POLITICAL OBJECTION TO DEALING
WITH COMMUNITY AS COMMUNITY, EC WOULD NOT BE MUCH DISPOSED
TO BE HELPFUL, NOR WOULD IT UNDERSTAND WHY WE WOULD BE
PUSHING IT TO DEAL FAVORABLY WITH A COUNTRY WHICH REFUSES
TO ACKNOWLEDGE ITS EXISTENCE OR DEAL DIRECTLY WITH IT.

THIS IS IN CONTRAST TO OVER 115 OTHER COUNTRIES RECOGNIZING THE COMMUNITY AS A COMMUNITY, WITH DIPLOMATIC RELATIONS.

3. SECONDLY, POLAND FINDS ITSELF VIS-A-VIS THE EC IN THE SAME SITUATION AS MANY OTHERS. AT A TIME OF HIGH UNEMPLOYMENT IN WESTERN EUROPE, THE EC IS RELUCTANT TO REDUCE EXISTING BARRIERS TO IMPORTS IN SENSITIVE PRODUCTS, AND IS IN FACT CURRENTLY ENGAGED IN PLACING NEW LIMITATIONS ON IMPORTS INTO THE EC OF, INTER ALIA, TEXTILES AND STEEL, TWO PRODUCTS OF IMPORTANCE TO POLAND. IN ROUND OF BILATERAL TEXTILE NEGOTIATIONS EC IS NOW CONCLUDING WITH PRODUCERS, WE UNDERSTAND EC AND POLAND ARE CLOSE TO AGREEMENT (WITH OUTSTANDING ISSUE BEING NON-ECONOMIC I.E., THE BERLIN CLAUSE). WHILE WE DO NOT HAVE THE DETAILS, WE UNDERSTAND THAT BECAUSE OF POLITICAL DIMENSION OF POLAND'S EXTERNAL TRADE TO WHICH REFTEL REFERS, EC HAS PROPOSED TO POLAND (AS TO ROMANIA) FAIRLY GENEROUS INCREASES IN QUOTAS (KEEPING IN MIND THAT THESE QUOTAS HAVE BEEN HISTORICALLY LOW). ON STEEL, PURSUANT TO EC COUNCIL DECISION OF DECEMBER 19 (BRUSSELS 18991), COMMUNITY IS PREPARED TO NEGOTIATE WITH POLAND OVER THE NEXT THREE MONTHS, AS WITH ALL EXTERNAL PRODUCERS, AN ARRANGEMENT WHICH, ALTHOUGH UNLIKELY TO PERMIT INCREASES IN POLISH EXPORTS OVER LEVELS OBTAINING IN RECENT YEARS, WOULD ALLOW POLAND TO MAINTAIN ITS PRESENT VOLUME OF TRADE. ALTERNATIVE, SHOULD EC'S REFUSE TO NEGOTIATE WITH COMMUNITY IN FAVOR OF POLAND DIFFERS SIGNIFICANTLY FROM ACTION US HAS TAKEN, AND MISSION SUPPORTED, AS REGARDS YUGOSLAVIA. FIRST, WE THINK POLITICAL ARGUMENTS IN FAVOR OF CLOSER EC-YUGOSLAV RELATIONS ARE MUCH STRONGER THAN FOR POLAND. SECOND, YUGOSLAVIA DOES RECOGNIZE AND DEAL WITH COMMUNITY AS SUCH, WHILE POLAND EITHER DOES NOT, OR DOES SO ONLY THROUGH BACKDOOR. EC IS DISPOSED TO BE HELPFUL TO YUGOSLAVIA FOR BOTH THESE REASONS, AND OUR SUPPORT MAY BE EFFECTIVE AT THE MARGINS TO TIP EC TOWARD MORE LIBERAL ATTITUDE BECAUSE OF THIS AGREEMENT WITH US IN PRINCIPLE. NEVERTHELESS, US APPROACH AT THIS STAGE HAS PROPERLY BEEN IN VERY GENERAL TERMS. MAKING CASE IN EVEN

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BRUSSE 19365 01 OF 02 271748Z

MISSION FOR POLITICAL REASONS, WOULD BE UNILATERAL QUOTAS.

4. ANOTHER PROBLEM TO BEAR IN MIND IS THAT EC HAS BEEN VERY UNHAPPY WITH WHAT IT REGARDS--PROBABLY MISTAKENLY--AS PREFERENTIAL TREATMENT US ACCORDS POLISH HAM TO DETRIMENT OF DANISH AND DUTCH EXPORTS TO US MARKET. A US REPRESENTATION IN FAVOR OF POLAND COULD EASILY PRODUCE AN ARGUMENT ABOUT HAM AND LEAD US NOWHERE.

5. AS WE SEE IT, CASE FOR OUR INTERVENTION WITH COMMUNITY IN FAVOR OF POLAND DIFFERS SIGNIFICANTLY FROM ACTION US HAS TAKEN, AND MISSION SUPPORTED, AS REGARDS YUGOSLAVIA. FIRST, WE THINK POLITICAL ARGUMENTS IN FAVOR OF CLOSER EC-YUGOSLAV RELATIONS ARE MUCH STRONGER THAN FOR POLAND. SECOND, YUGOSLAVIA DOES RECOGNIZE AND DEAL WITH COMMUNITY AS SUCH, WHILE POLAND EITHER DOES NOT, OR DOES SO ONLY THROUGH BACKDOOR. EC IS DISPOSED TO BE HELPFUL TO YUGOSLAVIA FOR BOTH THESE REASONS, AND OUR SUPPORT MAY BE EFFECTIVE AT THE MARGINS TO TIP EC TOWARD MORE LIBERAL ATTITUDE BECAUSE OF THIS AGREEMENT WITH US IN PRINCIPLE. NEVERTHELESS, US APPROACH AT THIS STAGE HAS PROPERLY BEEN IN VERY GENERAL TERMS. MAKING CASE IN EVEN

VERY GENERAL TERMS FOR POLAND COULD REDUCE EFFECTIVENESS
OF OUR FUTURE EFFORTS FOR YUGOSLAVIA, SHOULD THEY BE
NEEDED, TO SAY NOTHING OF IMPACT ON COUNTLESS DIRECT
US ECONOMIC AND POLITICAL ISSUES UNDER DISCUSSION OR
NEGOTIATION. IN FACT, THE US-EC CIRCUITS ARE ALREADY
RISKING AN OVERLOAD WITHOUT ADDING POLAND. FOR ALL THESE

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BRUSSE 19365 02 OF 02 271748Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
-----017328 271751Z /43
O 271812Z DEC 77
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC IMMEDIATE 3999
INFO AMEMBASSY WARSAW IMMEDIATE
AMEMBASSY PARIS IMMEDIATE

C O N F I D E N T I A L SECTION 02 OF 02 BRUSSELS 19365

EXDIS

USEEC

REASONS, INTERVENTION AS PROPOSED REFTEL IN FAVOR OF
POLAND IS NOT ONLY UNLIKELY TO PRODUCE RESULTS BUT COULD
EVEN HARDEN EC ATTITUDES IN OTHER DIRECTION.

6. AS AN ALTERNATIVE, MISSION BELIEVES IT IMPORTANT TO
CONTINUE TO DISCUSS WITH EC AND OTHER WESTERN COUNTRIES
HOW BEST TO DEAL WITH EAST EUROPEANS IN MULTILATERAL TRADE
NEGOTIATIONS (MTN), IN WHICH POLAND PARTICIPATES AS A
GATT CP. MTN CONTINUES TO OFFER BEST ROUTE TOWARD CO-
ORDINATION OF WESTERN TRADE POLICY VIS-A-VIS EE'S AND
EVENTUAL EASING OF EC RESTRICTIONS IN CONTEXT OF QUID-
PRO-QUO'S OF USE TO ALL OF US.

7. MISSION WOULD APPRECIATE INFORMATION ON RESULTS OF
GENEVA MEETING AUTHORIZED BY STATE 297351. HINTON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARKETS, EXPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 27-Dec-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRUSSE19365
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770482-0283
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771217/aaaaankl.tel
Line Count: 165
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2e630efd-c188-dd11-92da-001cc4696bcc
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: 78 WARSAW 8956
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 129115
Secure: OPEN
Status: NATIVE
Subject: MARKET ACCESS FOR POLISH EXPORTS
TAGS: ETRD, ECIN, PL, EEC
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/2e630efd-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009